UNDP

Distributed on request
DP/PROJECTS/7380

UNITED NATIONS
DEVELOPMENT
PROGRAMME

ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF CAMBODIA

IPF:(1992-96) $105 319 000

(CMB/92/003) - Cambodia Environmental Advisory Team (CEAT)

Date of approval by the AC:[1]	**28 October 1992**
Expected duration:	**18 months**
Proposed executing agency:	**UNDP/OPS**
Lead Government Authority:	**The Supreme National Council of Cambodia**
Implementing Agents:	**OPS and the Technical Advisory Committee on the Management & Sustainable Exploitation of Natural Resources (SNC/UNTAC)**
Proposed UNDP contribution:	**$ 918 800 Source of funds: IPF**
Third-party cost sharing:	**$ 500 000 Source of funds: Govt.of Finland**
Total UNDP budget:	**$1 418 800**
Administrative and Operational Support Services (AOS):	**$ 141 900 Agency: OPS**

Project background

In anticipation of the United Nations Conference on Environment and Development (UNCED) UNDP/Phnom Penh commissioned, in April 1992, a report entitled "Environmental Priorities and Strategies for Strengthening Capacity for Sustainable Development in Cambodia". As a result of the process involved in preparing the report, land resources, fresh water/fisheries and forest are perceived to be the highest-ranking environmental subject areas in Cambodia among those listed in "Agenda 21". Indeed, a rapid assessment of the natural resources in Cambodia highlights the following situation:

Land resources: Land mines have rendered as much as 40 percent of Cambodia's arable land non-farmable. Average rice yields of about 1.3 mt/hectare remain some of the lowest in Asia. A relatively-favourable man/arable land ratio for the region, about four persons/hectare of rice land, is rapidly being eroded by annual population growth estimated to be as high as 3.2 percent. The return of up to 370,000 refugees, the demobilization of 140,000 soldiers and the daily cutting of wood is likely to place extreme pressure on land resources.

Forestry: Forest cover in Cambodia has fallen progressively from about 73 percent in 1965, to possibly as low as 40 percent in 1992. The Forestry Department estimates that up to 2 million hectares have been lost or degraded since 1979. Total exports in 1992 are estimated to be more than 1.1 million cubic meters whereas the sustainable annual yield of Cambodian forests is estimated to be 250,000 cubic meters of export-quality timber. Over the past decade, unsustainable use of forest land is estimated to have reduced the total forest area in Cambodia by about 150,000 hectares each year. Deforestation accounts for about 22 million tons of carbon released in the atmosphere each year. Uncontrolled and illegal logging, expansion of lowland agriculture, slash and burn agriculture, firewood gathering and cutting of security zones along highways have all been significant factors in this reduction. The cost of deforestation was evident in August 1991 when flash flood caused an

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

/...

estimated (US)$ 150 million damage to roads, reservoirs and irrigation structures located in the central provinces.

Fresh water and fisheries: The annual flooding of the Mekong River drives a system of in-land fisheries that have been of the most productive in the world. Today, heavy siltation of the Tonle Sap lake, from both recently deforested lands and from gemstone sluice mining in western Battambang is reducing the capacity of the Tonle Sap both as a buffer to wet-season flooding and as the major source of the country's young fish. Wood-cutting and the expansion of agriculture has reportedly reduced the flooded forest around the Tonle Sap lake from 800,000 hectares to 300,000 hectares. The loss of more than 60 percent of the fish-spawning and fish-feeding habitat could reduce inland fish production by at least that amount.

Moreover, the privatization programme launched in Cambodia since the late 1980s, the signing of the Paris Peace Accords and the arrival of a large-scale United Nations presence have triggered a dramatic rise in interested foreign investors. In most of the contracts awarded recently, it was discovered that: (i) there were no joint ventures requirements; (ii) no competitive bidding procedure was undertaken; and, (iii) no environmental protection obligations were stipulated. In the absence of any existing national capacity, Plan of Action prescribes the establishment of a "Cambodian Environmental Advisory Team" (CEAT) to assist the SNC in the environmental screening of foreign aid and investment proposals, and of the "Cambodia Environment Fund" (CEF) to counter-balance extraction-oriented business investments and infrastructure-oriented donor assistance.

Description of project

The immediate objectives of the project are to: (a) provide the "Technical Advisory Committee on the Management and Sustainable Exploitation of Natural Resources" with the necessary technical advisory services to review on a systematic basis the environmental implications of all foreign investment programmes in order to slow down current -unsustainable- rates of rapid natural resource depletion in Cambodia; and (b) start developing a human and institutional national capacity, to manage the country's development in a sustainable manner, by commencing the process of developing the necessary skills amongst decision-makers.

Inputs

UNDP will provide 18 work-months for a CTA/sustainable development specialist, 18 work-months of a contract specialist/environmental lawyer, 18 work-months of an economist specialized in natural resources, 18 work-months of an environmental planner, 18 work-months of an environmental education/training specialist, 20 work-months for specialized short-term consultancies; in-service training; expendable and non-expendable equipment; and miscellaneous costs.

Financial data

	$
Personnel	1 242 400
Training	30 000
Equipment	127 400
Miscellaneous	19 000
Total	1 418 800

- - - - -